ANNUAL REPORT 2025

PEXA

Property Exchange Australia Limited
ABN 92 140 677 792

The PEXA Group acknowledges Aboriginal and Torres Strait Islander peoples as the traditional custodians of the lands on which we work, live and dream, we pay respects to elders past and present.

We recognise that we have a role to play in creating space and place for Aboriginal and Torres Strait Islander voices in our business, and our impact. We continue to explore how we walk together, how we co-design with Aboriginal and Torres Strait Islander Peoples, to develop meaningful relationships, with mutual benefit. We will continue to embrace the spirit of reconciliation, as it is evolving in nature, toward an equitable future.

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Directors' Report

Corporate Information

The directors of Property Exchange Australia Limited ("PEAL" or "the Company") present their report for the financial year ended 30 June 2025. PEAL is a member of the PEXA Group of companies with PEXA Group Limited being its ultimate parent.

The financial statements of PEAL for the year ended 30 June 2025 were authorised in accordance with a resolution of the directors on 29 September 2025.

PEAL is a public company limited by shares, incorporated and domiciled in Australia.

A description of the Company's operations and of its principal activities is included in the Principal activities and Review of operations on the following pages. The directors' report is not part of the financial report.

Directors

The Directors, who held office during or since the end of the year held office for the full year unless otherwise stated, are as follows:

- Steve Braithwaite (Chief Commercial and Customer Officer / General Manager Strategy and New Markets) (appointed 21 February 2025)
- Russell Cohen (Group Managing Director and Chief Executive Officer) (appointed 31 March 2025)
- Elizabeth Warrell (Acting Group Chief Financial Officer) (appointed 31 July 2025)
- James Orr (Company Secretary) (appointed 28 February 2025, resigned 31 March 2025)
- Leslie Vance (Chief Executive Officer - Australia) (resigned 21 February 2025)
- Glenn King (Group Managing Director and Chief Executive Officer) (resigned 28 February 2025)
- Scott Butterworth (Group Chief Financial Officer) (resigned 31 July 2025)

Company Secretary

James Orr

Registered office

Level 16, Tower 4

727 Collins Street

Docklands Vic 3008

Auditors

Ernst & Young

8 Exhibition Street

Melbourne Vic 3000

Principal activities

The Company operates the Exchange, an Electronic Lodgement Network (ELN) in Australia, across all States and Territories.

The Exchange now supports 90% of the property transactions undertaken in Australia and facilitates key activities including:

- providing a secure online workspace through which the parties preparing a property transaction collaborate to prepare for settlement, increasing the transparency between all parties;
- financial settlement of the property transaction through electronic funds transfer at the Reserve Bank of Australia through exchange of value between financial institutions;
- facilitation of financial disbursements and the payment of stamp duties at settlement; and
- lodgement of various dealings with the relevant Land Title Offices.

The Exchange charges fees for these activities, with the fee amount depending upon the nature of the underlying transaction. The Exchange collects these fees digitally at the conclusion of each transaction. The Exchange's overall revenue depends on the volume and lodgement type of transactions.

Additional Strategic Growth Initiatives

To date, PEAL has invested significantly in the Exchange and the ecosystem around it. PEAL continues to invest in enhancing its Exchange business in order to maintain its position as Australia's leading ELN. It is further enhancing the platform through new integrations, functionality and features while attracting new users by developing customer tools to enhance the Exchange and support customer experience and engagement.

Proactively Managed Risks

PEAL's risk management framework is designed to identify material financial and non-financial risks that may impact its ability to achieve the strategic objectives outlined above. Core to this framework is the PEXA Group Limited Board's establishment of a risk appetite for the Group / Company.

For further details refer to the "Risk at PEXA" Section on pages 54-56 of the PEXA Group Limited Annual Report 2025.

Review of operations

The statutory profit after tax of PEAL amounted to $79.1 million (2024: $90.7 million). The $(11.6) million decrease in statutory profit after tax was predominantly driven by $(1.7) million higher cost of goods sold, $(21.8) million additional intangible impairments and write offs, $(3.3) million in internal related party loan forgiveness, $(5.4) million higher depreciation and amortisation, $(0.7) million less interest income, and $(3.3) million additional tax expense partly offset by $23.2 million additional revenue and a $1.4 million reduction in costs.

Increased revenue, up approximately 8% or $23.2 million on the prior comparable period (pcp), was driven by:

- A 3% increase in PEXA transaction volumes, rising from 3.8 million to 3.9 million year-on-year, and a favourable transaction mix;
- A 1 percentage point increase in market penetration to 90%;
- A 4% increase in the average price per transaction, rising from $76.0 to $78.9, driven by both CPI-linked adjustments and a shift toward higher-priced Transfers; and
- An increase in adjacency revenue from higher subscription and consultancy services.

Cost of sales increased $(1.7) million on the pcp, to $37.0 million, reflecting higher transaction volumes during the period, resulting in the gross margin remaining broadly stable at 88.4% for FY25, up about 0.4 percentage points on the pcp.

Expenses which includes product management, sales and marketing, operations, as well as general and administration expenses, were lower versus the pcp, demonstrating disciplined cost control in the business. The $1.4 million decrease in costs was predominantly driven by:

- A decrease in employee resource costs, due to savings gained from efficiency initiatives, and
- A reduction in redundancy and restructuring costs in FY24 versus FY25, partly offset by
- An increase in IT and technology related costs, due to increased investment in cyber and resilience, and
- An increase in professional fees.

Depreciation and amortisation increased $(5.4) million on the pcp, reflecting new lease arrangements, amortisation of new and existing assets, and accelerated amortisation on a number of assets.

Impairment and write off of intangibles increased by $(21.8) million mainly driven by the cessation of the interoperability program and the write down of Exchange adjacency intangible assets.

Interest income in the period decreased $(0.7) million mainly due to lower interest rates, combined with lower average trust account balances.

Income tax expenses increased $(3.3) million, to $(43.8) million in the period, due to higher taxable Australian profits.

During the year the balance sheet of the company remained strong, with net current assets (current assets less current liabilities) at 30 June 2025 being $13.6 million. This was a $(31.9) million decrease from 30 June 2024, mainly driven by additional cash outflows year on year.

This year's cash outflows included PEAL funding the Group's:

- Net debt repayment of $(50.0) million,
- PGL share buy back of $(19.0) million, and
- Other related parties operational spend $(16.0) million.

This was partly offset by its own cashflows of:

- Operating cash flow generated $177.6 million, partly offset by
- In-house software development spend $(31.8) million, and
- Dividend paid $(91.8) million.

Other matters

Dividends

A dividend of $91.8 million was declared and paid to PEXA Holdings Pty Ltd during the year ended 30 June 2025 (2024: $141.7 million).

Rounding of amounts

Amounts within the directors' report have been rounded to the nearest $million (unless otherwise stated) under the option available to the Company under ASIC Corporations Instrument 2016/191.

Options over unissued shares

As at 30 June 2025 there were no unissued shares under option (2024: nil).

Significant changes in the state of affairs and future developments

Refer to the Principal activities and Review of operations section above for information on the significant changes in the state of affairs of the Company and for likely developments and future prospects of the Company. Further information on likely developments in the operations of the Company has not been included in the Director's report because the Director's believe it would be likely to result in unreasonable prejudice to the Company.

Matters subsequent to the end of the reporting period

No matter or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect:

- The Company's operations in future financial years;
- The results of those operations in future financial years; or
- The Company's state of affairs in future financial years.

Sustainability and ESG

Refer to the "Sustainability and ESG" Section on pages 27-43 of the PEXA Group Limited Annual Report 2025 for more detail.

Indemnifying Officers

The Company has entered into Deeds of Indemnity, Insurance and Access with each of the Directors, the Group Managing Director and Chief Executive Officer and Company Secretary. Each deed provides officers with the following:

- A right to access certain Board papers of the Company during the period of their tenure and for a period of seven years after that tenure ends;
- Subject to the Corporations Act, an indemnity in respect of liability to persons other than the Company that they may incur while acting in their capacity as an officer of the Company, except where that liability involves a lack of good faith and for defending certain legal proceedings, and
- The requirement that the Company maintain appropriate directors' and officers' liability insurance for the officer.

No liability has arisen under these indemnities as at the date of this report.

Insurance of Officers

During the financial year, the Company paid a premium to insure the Directors and Officers of the Company. The terms of this policy prohibit disclosure of the premium paid.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Company.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). The indemnity does not apply to any loss arising out of any negligent, wrongful or wilful acts or omissions by the auditors.

No payment has been made to indemnify Ernst & Young during or since the financial year.

Non-Audit Services

The Company may decide to employ the auditor on assignments additional to statutory audit duties where the auditor's expertise and experience with the Company is essential and will not compromise auditor independence.

Details of the amounts paid or payable to Ernst & Young for audit and assurance and non-audit services provided to the PEXA Group (including the Company) during the year are set out in Note 24 to the financial statements. The Board has considered the non-audit services provided during the year and is satisfied these services are compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 (Cth).

None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Auditors' Independence Declaration

The auditors' independence declaration for the year ended 30 June 2025 as required under section 307C of the Corporations Act 2001 has been received and can be found on page 7.

Signed in accordance with a resolution of the directors.

Elizabeth Warrell
Director

29 September 2025

FINANCIAL REPORT

For the year ended 30 June 2025

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Statement of Comprehensive Income

For the year ended 30 June 2025	Note	2025 $'000	2024 $'000
Revenue	4	318,179	294,973
Cost of sales		(36,984)	(35,307)
Gross profit		**281,195**	**259,666**
Other Income	21	2,142	2,782
Product management	4	(10,482)	(14,928)
Sales and marketing	4	(10,700)	(10,656)
Operations	4	(35,421)	(32,156)
General and administrative	4	(63,469)	(64,021)
Depreciation and amortisation	4	(25,441)	(20,142)
Impairment / write off Intangibles	4	(25,820)	(3,988)
Depreciation of right of use assets	13	(1,831)	(1,767)
Gain on sale of assets		-	56
Loss on intercompany receivable forgiven		(3,350)	-
Unrealised foreign exchange gain		1,413	997
Profit before interest and tax		**108,236**	**115,843**
Interest income		14,938	15,683
Interest expense		(8)	(9)
Finance costs associated with leases	13	(220)	(311)
Profit before income tax		**122,946**	**131,206**
Income tax expense	5	(43,813)	(40,477)
Profit after income tax		**79,133**	**90,729**
Other comprehensive income			
Items that may be reclassified to profit or loss in future periods			
Other comprehensive profit		-	-
Total comprehensive income		**79,133**	**90,729**
Basic earnings per share (cents)	20	57.47	65.89
Diluted earnings per share (cents)	20	57.47	65.89

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 June 2025	Note	2025 $'000	2024 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	6	40,552	74,586
Trade and other receivables	7	2,788	3,168
Prepayments and other assets	8	10,020	10,481
Other financial assets	9	40,151	31,784
Total Current Assets		**93,511**	**120,019**
Non-Current Assets			
Property, plant and equipment	10	945	1,344
Intangible assets	11	127,803	146,373
Right-of-use assets	13	2,636	4,275
Related Party Receivables	21	379,657	340,142
Prepayments and other assets	12	474	-
Total Non-Current Assets		**511,515**	**492,134**
Total Assets		**605,026**	**612,153**
LIABILITIES			
Current Liabilities			
Trade and other payables	14	70,592	65,740
Contract liabilities		402	202
Provisions	15	6,525	6,367
Lease liabilities	13	2,404	2,178
Total Current Liabilities		**79,923**	**74,487**
Non-Current Liabilities			
Provisions and liabilities	16	1,016	751
Lease liabilities	13	1,173	3,443
Deferred tax liabilities	5	7,629	9,301
Total Non-Current Liabilities		**9,818**	**13,495**
Total Liabilities		**89,741**	**87,982**
Net Assets		**515,285**	**524,171**
EQUITY			
Contributed equity	19	437,257	433,442
Accumulated profits		78,028	90,729
Total Equity		**515,285**	**524,171**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 30 June 2025	Note	Contributed Equity $'000	Accumulated Profits $'000	Total $'000
As at 1 July 2023		**430,240**	**141,693**	**571,933**
Comprehensive profit for the year		-	90,729	90,729
Dividend paid		-	(141,693)	(141,693)
Share based payment expense	19	3,202	-	3,202
As at 30 June 2024		**433,442**	**90,729**	**524,171**
As at 1 July 2024		**433,442**	**90,729**	**524,171**
Comprehensive profit for the year		-	79,133	79,133
Dividend paid		-	(91,834)	(91,834)
Share based payment expense	19	3,815	-	3,815
As at 30 June 2025		**437,257**	**78,028**	**515,285**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 30 June 2025	Note	2025 $'000	2024 $'000
Cash from operating activities:			
Receipts from customers (inclusive of GST)		350,654	325,580
Interest received/(paid) net		14,852	14,595
Payments to suppliers and employees (inclusive of GST)		(187,672)	(171,915)
Interest paid on lease liabilities	13	(220)	(311)
Net cash flows from operating activities		**177,614**	**167,949**
Cash flows from investing activities:			
Development of intangible assets	11	(31,844)	(39,312)
Purchase of property, plant and equipment	10	(447)	(221)
Net cash flows (used in) investing activities		**(32,291)**	**(39,533)**
Cash flows from financing activities:			
Net related party transactions	21	(177,121)	(75,708)
Payment of principal portion of lease liabilities	13	(2,236)	(2,004)
Net cash flows (used in) financing activities		**(179,357)**	**(77,712)**
Net (decrease)/increase in cash and cash equivalents held		**(34,034)**	**50,704**
Cash and cash equivalents at 1 July		74,586	23,882
Cash and cash equivalents at 30 June	6	**40,552**	**74,586**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Corporate Information

Reporting Entity

The PEAL financial statements for the year ended 30 June 2025 were authorised in accordance with a resolution of the Directors on 29 September 2025. The Directors have the power to amend and reissue the financial statements.

PEAL is a wholly owned subsidiary of the PEXA Group with PEXA Group Limited being the Group's parent. PEAL is a public company limited by shares, incorporated and domiciled in Australia.

The Company operates the Exchange, an Electronic Lodgement Network (ELN) in Australia, across all States and Territories with the registered office located at level 16, Tower 4, 727 Collins Street, Docklands, Victoria, 3008.

Note 2. Summary of Material Accounting Policies

a. Basis of preparation and statement of compliance

i. Statement of compliance

This financial report is a general-purpose financial report, for a 'for-profit' entity, which has been prepared in accordance with Australian Accounting Standards, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial statements also comply with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared on a historical cost basis. The financial statements are presented in Australian Dollars.

ii. Rounding

Amounts within this report have been rounded to the nearest $1,000 (unless otherwise stated) under the option available to the Company under ASIC Corporations Instrument 2016/191.

b. Going concern

The financial statements have been prepared on the basis that the Company is a going concern, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Directors consider that the basis of going concern is appropriate and the Company will continue to meet its ongoing obligations.

c. New Accounting Standards and Interpretations

i. Adoption of new accounting standards and amendments effective this year

The adoption of these new accounting standards and amendments did not have a material impact on the Company's financial statements:

- AASB 2020-1 Amendments to AASs – Classification of Liabilities as Current or Non-current - Amendments to AASB 101 *Presentation of Accounting Standards*
- AASB 2022-6 Amendments to AASs – Non-current Liabilities with Covenants - Amendments to AASB 101 *Presentation of Accounting Standards*

ii. Other standards issued but not yet effective and not early adopted by the Company

- AASB 18 Presentation and Disclosure in Financial Statements
- AASB 2023-5 Amendments to AASs – Lack of Exchange-ability – Amendments to AASB 1 *First-time Adoption of Australian Accounting Standards*, AASB 121 *The Effects of Changes in Foreign Exchange Rates*
- AASB 2024-3 Amendments to AASs – Annual Improvements Volume II- Amendments to AASB 107 *Statement of Cash Flows*

- AASB 2024-3 Amendments to AASs – Annual Improvements Volume II- Amendments to AASB 1 *First-time Adoption of Australian Accounting Standards*

The Company has considered and continues to assess the impact of these and other accounting standards, amendments and interpretations that have been issued and will be applicable in future periods.

iii. IFRIC agenda decisions published from 1 July 2024 to 30 June 2025

The adoption of these IFRIC publications did not have a material impact on the Company's financial statements:

- Disclosure of revenues and expenses for reportable segments (IFRS 8) – July 2024 – IFRS 8 *Operating Segments*

d. Comparative Figures

Where applicable, comparative amounts have been adjusted to conform to changes in presentation in the current financial year. Where applicable, presentation or classification of items in the financial statements has been amended, comparative figures have been reclassified unless reclassification is impractical.

e. Revenue and Income

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

i. Property Settlement Transaction (PST) revenue

The Company currently generates the majority of its revenue from PST fees collected from subscribers for electronic conveyancing transactions completed on the Exchange. The Company recognises revenue on the day of successful financial settlement and title lodgement of an electronic conveyancing transaction (point in time). It is only at this point that the performance obligation to provide the electronic conveyancing network is satisfied and that PEXA is entitled to collect PST fees. PST fees are collected as a disbursement of settlement funds at the time of settlement or via direct debit when the electronic conveyancing transaction does not include financial settlement. Direct debits are processed on the evening of the day of lodgement.

PEAL groups its PST fees into three categories:

- Transfer lodgements: dealings connected to the transfer of a property title or sales transfer, and any associated discharges and mortgages in conjunction with the property transfer and other ownership transfers such as inheritance and family law matters.
- Refinancing/remortgage lodgements: dealings connected to the refinance of a debt facility secured by a mortgage, but which are not connected to a sales transfer and involve a discharge of an existing mortgage replaced by a new mortgage.
- Other lodgements: other dealings lodged, either alone or together, but which are not connected to a transfer lodgement or a refinance lodgement (such as a stand-alone discharge of mortgage lodged after a loan has been wholly repaid), a stand-alone mortgage lodged after a new loan is advanced, caveat-related dealings, death-related dealings, and lease-related dealings.

ii. Subscription revenue

The Company also recognises revenue from the sale of subscription services.

These revenues are recognised over time as they are delivered and consumed concurrently over the contractual term, beginning on the date the service is made available to the customer. Subscription contracts typically have a term of 12 months duration.

Customers are generally invoiced annually or monthly in advance for subscription contracts.

Subscription revenue received in advance is recognised over the life of the contract. Revenue not yet recognised in the Statement of Comprehensive Income under this policy is classified as contract liabilities in the Statement of Financial Position.

iii. Interest income

Interest income is recognised as interest accrues using the effective interest method on the Company's cash and cash equivalents and on off balance sheet trust accounts (that are not recognised in the Statement of Financial Position), as the Company has a contractual right to any interest earned on monies in the those trust accounts.

f. Cost of Sales

Cost of sales primarily relates to fees paid to state land registries for property information relating to settlements. The Company incurs these expenses on a per lodgement basis in advance of when a transaction completes.

Costs associated with open transactions at year end are recorded in the Statement of Financial Position as an asset and recognised as an expense when the transaction completes.

g. Software as a Service Arrangements (SAAS)

When the Company enters into a SaaS arrangement, the Company evaluates whether the SaaS arrangement provides the customer a resource that it can control.

Generally, costs incurred to configure or customise SaaS arrangements are expensed when the supplier provides the services. However, if the Company has the power to obtain future economic benefits flowing from the use of an underlying resource and can restrict the access of others to those benefits, then any costs incurred to configure or customise SaaS arrangements are recognised as a separate intangible software asset and amortised over the useful life of the software on a straight-line basis.

h. Employee benefits and provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the provisions are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the obligation arises, the liability is discounted to present value based on management's best estimate of the timing of settlement and the expenditure required to settle the liability at the reporting date.

The discount rates used to determine the present value of employee-related provisions are determined by reference to market yields at the end of the reporting period attaching to high-quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows of the related liability.

i. Research and development costs

Costs incurred on internal projects that do not meet the criteria outlined in Note 2o for recognition as an internally generated intangible asset (development costs) are recognised as an expense in profit or loss, within product management costs on the face of the statement of comprehensive income.

j. Share-based payment and cash incentive plans

Certain employees of the Company receive remuneration in the form of share-based payments or cash incentives, whereby employees render services as consideration for equity instruments (equity settled transactions) or cash incentives.

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the relevant equity grant is made using an appropriate valuation model often with the assistance of external experts. Further details are contained in Note 19.

That cost is recognised in employee benefits expense, together with a corresponding increase in the parent's, PEXA Group Limited, equity (share-based payments reserve), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of PEXA Group Limited's equity instruments that will ultimately vest. The

expense or credit in the Statement of Comprehensive Income for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood and probability of these conditions being met is assessed as part of the Company's best estimate of the number of PEXA Group Limited's equity instruments that will ultimately vest.

Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original terms of the award are met. An additional expense, measured as at the date of modification, is recognised for the increase in fair value over the original grant date fair value.

Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

k. Impairment of non-financial assets

Non-financial assets, other than goodwill and indefinite life intangibles which are tested for indicators of impairment annually, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The Company conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions are also monitored to assess for indicators of impairment. If any indication of impairment exists, an estimate of the asset's recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of its value in use and the asset's fair value less costs to sell. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Non-financial assets other than goodwill that suffered an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

l. Income tax and other taxes

i. Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Comprehensive Income.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences at least to the extent that sufficient taxable temporary differences exist relating to the same taxation authority and the same taxable entity which are expected to reverse or it is probable (probable is considered as more likely than not) that taxable profit will be available against which the deductible temporary differences can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Where there is uncertainty as to the tax treatment of a particular item by tax authorities, the Company considers whether it is probable that the taxation authority will accept the uncertain tax treatment. If the Company concludes that the position is not probable of being accepted, the effect of the uncertainty is measured based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty. If the Company concludes that the position is probable of being accepted, the Company reflects amounts consistently with the treatment used or planned to be used in its income tax filings.

ii. Other taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Taxes (GST) except:

- When the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

m. Cash and short-term deposits

Cash and cash equivalents in the Statement of Financial Position comprise cash at banks and in-hand and short-term highly liquid deposits with a maturity of three months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. Cash balances contained in Settlement and Disbursement trust accounts, operated by the Company in Australia, are not recognised in the Statement of Financial Position because the Company does not control or have beneficial entitlement to those monies.

n. Property, plant and equipment

Each class of property, plant and equipment is carried at historical cost less any accumulated depreciation and impairment losses. The resulting balance also includes the cost of replacing parts that are eligible for capitalisation, these are recorded when the cost of replacing the parts is incurred. All other repairs and maintenance are recognised in the Statement of Comprehensive Income as incurred.

As property, plant and equipment is not considered to generate independent cash flows, the carrying amount of these assets is included within the assets of the cash generating unit (CGU) assessed as part of the Company's impairment testing process as outlined in Note 2 k.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life between 3 to 5 years for property, plant and equipment.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income.

o. Intangible assets

i. Initial recognition

Intangible assets are recognised when they are identifiable, it is probable that they will result in future economic benefits flowing to the Company, and the cost can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

An intangible asset arising from development expenditure on an internal project is recognised only when the Company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate probable future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

ii. Subsequent measurement

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category that is consistent with the function of the intangible assets.

The table below outlines the amortisation periods and methods currently applied to the Company's finite life intangibles:

In-House Software	
Useful lives	3 - 15 years
Amortisation method used	Amortised over the period of expected future benefits on a straight-line basis
Internally generated or acquired	Both internally generated and acquired
Impairment testing	Annually as at 30 June and more frequently when an indication of impairment exists

Irrespective of whether there is any indication of impairment, intangible assets with indefinite useful lives or an intangible asset not yet available for use, are tested for impairment annually, either individually or at the CGU level (refer Note 2k).

The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is de-recognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss.

p. Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances, and other pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of AASB 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the Statement of Comprehensive Income in accordance with AASB 9. Other contingent consideration that is not within the scope of AASB 9 is measured at fair value at each reporting date with changes in fair value recognised in the Statement of Comprehensive Income.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired exceeds the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the Statement of Comprehensive Income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's CGU that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

q. Financial instruments

i. Financial assets

Recognition and subsequent measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through Statement of Comprehensive Income.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. The exception being trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient. Trade receivables are initially measured at the transaction price determined under AASB 15 as disclosed in Note 2 e).

For a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding (apart from equity instruments which can be designated as fair value through OCI). This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Currently, the Company's business model for all financial assets is to hold these assets to collect contractual cash flows. This results in the Company's principal financial assets being subsequently measured at amortised cost. These include:

- Trade and other receivables, and
- Other financial assets.

De-recognition

A financial asset is de-recognised when the rights to receive cash flows from the asset have expired or when the Company has transferred its rights to receive cash flows from the asset and has either transferred substantially all of the risks and rewards associated with the asset or control of the asset to a third party.

Impairment

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. Refer to Note 7 for further details of the Company's approach to recognising ECL's on trade receivables.

ii. Financial liabilities

Recognition and subsequent measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or financial liabilities at amortised cost, consistent with their subsequent measurement.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Company's principal financial liabilities at 30 June 2025 include trade and other payables which are measured at amortised cost.

De-recognition

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred, or liabilities assumed, is recognised in the statement of comprehensive income as other income or finance costs.

iii. Measurement of financial assets and liabilities at amortised cost

Financial instruments measured at amortised cost are subsequently measured using the effective interest rate (EIR) method. This is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period using the EIR. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

r. Trade and other payables

Trade and other payables represent liabilities for purchases of goods and services by the Company. The amounts are unsecured and are usually paid within 45 days of recognition. Trade and other payables are carried at amortised cost and due to their short-term nature, they are not discounted.

s. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. This occurs where the contract conveys the right to control the use of an identified asset for a defined period in exchange for consideration.

The Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or estimated useful life (remaining lease lives being between 0.9 and 2.0 years).

ii. Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable and amounts expected to be paid under residual value guarantees but do not include payments relating to non-lease components of the agreement. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The present value of lease payments is calculated using the interest rate implicit within the lease or, if this is not readily determinable, the Company's incremental borrowing rate (IBR). The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

iii. Short-term leases and leases of low value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low-value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

t. Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or performance rights are shown in equity as a deduction, net of tax, from the proceeds.

Note 3. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

a. Significant accounting judgements

i. Taxation

The Company's accounting policy for taxation requires management to assess whether deferred tax assets and deferred tax liabilities are recognised on the Statement of Financial Position. As detailed in Note 5, at 30 June 2025 the Company has recognised net deferred tax liabilities of $7.6 million (30 June 2024: net deferred tax liabilities of $9.3 million) relating to temporary differences.

Deferred tax assets should be recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Probable is considered as more likely than not. In determining whether utilisation of the deferred tax assets is probable, the Company is required to consider both forecast future taxable profits and the time-frame for recovery of taxable benefits for both the Company and the tax consolidated group.

Recognition of deferred tax amounts are subject to significant judgement, risk and uncertainty, particularly around the interpretation of relevant taxation law. Changes in the Company's circumstances or interpretations of relevant taxation law could alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the Statement of Financial Position and the availability of amounts in future financial periods.

ii. Capitalisation of internally developed software and impairment assessments

Distinguishing between the research and development phases of a new customised software project and determining whether the recognition requirements for the capitalisation of development costs as discussed in Note 2o are met, requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

iii. Off balance sheet trust accounts

As part of the operations of the Exchange, the Company provides various settlement and disbursement trust accounts to provide a mechanism by which consumers and businesses can contribute funds to the settlement of a conveyancing transaction.

The settlement and disbursement trust accounts were established under the terms of the PEXA Settlement Money Trust Deed (2014) (the Deed) and the Company is the Trustee of the Account. The Company holds all settlement money of a purchaser on trust in accordance with the Deed, until that settlement money is disbursed or transferred under instruction. The total balance of these trust accounts is $236.4 million at 30 June 2025, average balance was $281.0 million and interest earned as fees for settlement services rendered for the year was $12.0 million (2024: $237.8 million, average balance $300.8 million, interest earned $13.6 million).

The Company has not recognised trust accounts as an asset and they are not recognised in the Statement of Financial Position. Management consider the Company does not have control of any monies that move through these trust accounts and the Company cannot deny or regulate the use of monies held in these trust accounts as they act on instruction by the relevant subscribers. In addition, the beneficial interest of these trust accounts and any settlement monies always resides with the end purchaser or refinancing financial institution.

iv. Interoperability software intangible asset

In the period the Company impaired the interoperability software asset to nil (30 June 2024: $14.1 million). On 26 June 2024, ARNECC announced that the financial services aspects of interoperability are beyond its remit, posing challenges for the program's progress without resolution from relevant parties. ARNECC stood down its interoperability project team, and PEXA followed suit. Since 26 June 2024 the development of the asset has remained paused. The Queensland Titles Office commissioned an external review of the interoperability program, with the results of the review received on 19 February 2025. That report advised that ARNECC will commission an in-depth review of interoperability including updating the cost benefit analysis to test whether the direct connect interoperability model remains the most appropriate model and would create a new governance structure to oversee the program of work. The outcomes of this review, initially expected in June 2025, are yet to be received.

Given that the software has become outdated after sitting idle for over 12 months, as well as the uncertainty around which future model for interoperability will be recommended by ARNECC and the timing of any future project, management have concluded that there is too much uncertainty around the future of the asset to continue to be recognised under intangible asset recognition criteria and therefore the asset has been fully impaired as at 30 June 2025.

Management notes that under the Model Operating Requirements (MoR) PEXA continues to be required to deliver interoperability per legislation and ARNECC requirements unless granted the necessary waivers. As such further work and costs are anticipated in future periods on this asset, despite any impairment.

b. Significant accounting estimates and assumptions

i. Estimation of useful lives of assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment. Adjustments to useful lives are made when considered necessary.

ii. Settlement method and valuation of the Share Based Payment Plans

Estimating the fair value for share-based payment transactions required determination of the most appropriate valuation model which, for equity settled plans, depends on the terms and conditions of the grant at grant date.

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the performance right or appreciation right, volatility and dividend yield and making assumptions about them. Different inputs and assumptions may lead to different determinations of fair value. The valuation method applied by the Company and key estimates and assumptions is detailed in Note 19.

iii. Impairment testing of intangible assets (including goodwill)

The Company assesses whether its intangible assets (including goodwill) are carried above their recoverable amount on an annual basis or when there are other indicators of impairment. The Company completes its impairment assessment based on all known facts and circumstances, incorporating its best estimates from information available at reporting date.

For the years ended 30 June 2025 and 30 June 2024, the Company applied a Value in Use ('VIU') discounted cash flow methodology to assess recoverable amount.

Note 4. Revenue and Expenses

	2025 $'000	2024 $'000
Revenue from contracts with customers		
Transfers	245,111	226,890
Refinances	48,486	45,922
Other exchange transactions	18,736	17,793
Other products	5,846	4,368
Total revenue from contracts with customers	**318,179**	**294,973**
Timing of revenue recognition		
Goods and Services transferred at a point in time	316,557	293,706
Goods and Services transferred over time	1,622	1,267
	318,179	**294,973**
Product management expenses[1]		
Employee benefit expenses[2]	(10,482)	(14,928)
	(10,482)	**(14,928)**
Sales and marketing expenses[3]		
Employee benefit expenses[2]	(7,828)	(7,851)
Travel and entertainment	(1,543)	(1,780)
Sales and marketing	(1,329)	(1,025)
	(10,700)	**(10,656)**
Operations[4]		
Employee benefit expenses[2]	(9,128)	(9,294)
IT and technology costs	(25,113)	(21,843)
Other	(1,180)	(1,019)
	(35,421)	**(32,156)**
General and administrative expenses[5]		
Employee benefit expenses[2]	(38,533)	(37,780)
Share based payment expense[2]	(2,260)	(3,202)
Redundancy costs	(1,721)	(4,603)
Professional fees	(12,014)	(11,231)
M&A consulting fees	(1,506)	(950)
Occupancy expenses	(505)	(652)
Insurance	(1,703)	(1,615)
Other[6]	(5,227)	(3,988)
	(63,469)	**(64,021)**

1. Product management represents costs to manage products, as well as development costs which don't meet the criteria for capitalisation of an intangible asset.
2. Total employee benefits expense for the period was $68.2 million (31 December 2024: $73.1 million).
3. Sales and marketing represents business development and customer management related costs, including marketing and related travel costs.
4. Operations represents costs to run the Company's businesses such as call centres, processing centres, as well as technology run costs.
5. General and administrative represents back office costs, as well as non-operating expenditure.
6. Other general and administration expenditure is predominantly other non-operating expenditure, Directors' fees of PEXA Group Limited and bank charges.

	30 June 2025 $'000	30 June 2024 $'000
Depreciation and amortisation		
Depreciation of property, plant and equipment	(846)	(993)
Amortisation of intangibles	(24,595)	(19,149)
Write off intangibles	(25,820)	(3,988)
	(51,261)	**(24,130)**

Note 5. Income Tax

a. Income tax (expense)

The major components of income tax expense are:

	2025 $'000	2024 $'000
Statement of Comprehensive Income		
Current income tax expense		
Current income tax charge	(45,484)	(24,890)
Deferred income tax expense		
Relating to deferred tax on temporary differences	924	(16,351)
Adjustment in respect of prior years	747	764
Income tax (expense) reported in the Statement of Comprehensive Income	**(43,813)**	**(40,477)**

b. Reconciliation between profit before tax and income tax (expense) recognised in the Statement of Comprehensive Income

A reconciliation between tax expense and the accounting profit before income tax multiplied by the Company's applicable income tax rate is as follows:

	2025 $'000	2024 $'000
Accounting profit before tax	**122,946**	**131,206**
Expense at the Company's statutory tax rate of 30% (2024: 30%)	(36,884)	(39,362)
Adjustments in respect of current income tax		
Expenditure not allowable for income tax	(7,054)	(1,665)
Deferred tax – research & development tax credit	(622)	(215)
Other adjustments	747	764
Income tax (expense) reported in the Statement of Comprehensive Income	**(43,813)**	**(40,478)**

c. Deferred tax balances

Deferred tax balances are offset in the Statement of Financial Position where the Company has a legally enforceable right to set off deferred tax assets and deferred tax liabilities that relate to income taxes levied by the same tax authority. Refer to Note 3 for details in relation to judgements associated with taxation. The gross deferred tax balances are shown below:

	Statement of Financial Position		Statement of Comprehensive Income	
	2025 $'000	2024 $'000	2025 $'000	2024 $'000
Deferred Tax Liabilities				
Intangible assets	(14,286)	(17,047)	2,761	(17,047)
Provisions and accruals	(1,925)	(1,907)	(18)	1,433
Total Deferred Tax Liabilities	**(16,211)**	**(18,954)**	**2,743**	**(15,614)**
Deferred Tax Assets				
Intangible assets	-	-	-	(180)
Transaction costs	1,189	1,075	114	394
Provisions and accruals	7,393	8,578	(1,185)	(187)
Total Deferred Tax Assets	**8,582**	**9,653**	**(1,071)**	**27**
Net Deferred Tax (Liabilities)/Assets	**(7,629)**	**(9,301)**	**1,672**	**(15,587)**

d. Members of the Australian tax consolidated group

i. Members of the Australian tax consolidated group and the tax sharing arrangement

PEXA Group Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 18 December 2018. PEAL joined the tax consolidated group on 16 January 2019 post its acquisition by PEXA Group Limited. PEXA Group Limited is the head entity of the tax consolidated group.

Members of the tax consolidated group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations.

ii. Tax effect accounting by members of the tax consolidated group (AASB Interpretation 1052 Tax Consolidation Accounting)

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 Income Taxes. The nature of the tax funding agreement is discussed further below.

In addition to its own current and deferred tax amounts, the head entity also recognises current tax liabilities (or assets) and the deferred tax assets arising from carry forward tax losses and tax credits assumed from controlled entities in the tax consolidated group.

At 30 June 2025, inter-company receivables (refer Note 21) included $44.1 million (2024: $89.6 million) relating to tax losses and tax offsets which were assumed by the head company of the tax consolidated group in prior and current periods.

iii. Nature of the tax funding agreement

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement requires payments to/from the head entity to be recognised via an inter-entity receivable (payable) which is at call.

The amounts receivable or payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Note 6. Current Assets – Cash and Cash equivalents

	2025 $'000	2024 $'000
Cash at bank and on hand	40,552	74,586
	40,552	**74,586**

Reconciliation of profit for the year to net cash inflow from operating activities

	2025 $'000	2024 $'000
Profit after income tax	79,133	**90,729**
Adjustments for:		
Non-cash items:		
Depreciation and amortisation	27,273	21,909
Long term share and other incentive plans	2,260	3,202
Impairment / write-off of intangibles	25,820	3,988
Unrealised FX (gain)	(1,413)	(1,004)
Income tax expense	43,813	40,477
Accrued interest income	(77)	(1,079)
Loss on intercompany receivable forgiven	3,350	-
Change in operating assets and liabilities:		
Decrease in receivables	458	907
(Increase) in prepayments/other assets	(14)	(492)
(Decrease)/increase in payables	(3,610)	9,268
Increase in contract liabilities	199	201
Increase/(decrease) in provisions	422	(157)
Net cash inflows from operating activities	**177,614**	**167,949**

Note 7. Current Assets – Trade and Other Receivables

	2025 $'000	2024 $'000
Trade receivables from contracts with customers	1,322	1,511
Interest income receivable	1,156	1,079
Other receivables	310	578
	2,788	**3,168**

A provision for impairment of trade receivables is made based on applying a simplified approach in calculating the expected credit losses (ECL). Therefore, the Company does not track changes in credit risk, but instead recognises an ECL allowance based on the lifetime ECL at each reporting date. The Company's provisioning methodology is based on its historical credit loss experience, adjusted for forward looking factors specific to the economic environment.

Given Property Settlement Transaction ('PST') fees from transactions on the Exchange are collected via direct debit from settlement proceeds the Company has no history of credit losses and does not expect this to change in the future. Accordingly, the allowance for ECLs at 30 June 2025 was nil (30 June 2024: nil).

Note 8. Current Assets – Prepayments

Current	2025 $'000	2024 $'000
Prepaid software licensing and support	7,296	6,194
Prepaid land registry fees – lodgement support services	2,274	2,081
Other prepayments	450	2,206
	10,020	**10,481**

Note 9. Current Assets – Other Financial Assets

	2025 $'000	2024 $'000
Other financial assets	**40,151**	**31,784**

Other financial assets represent lodgement fees that the Company has collected in cash on behalf of the state-based Land Title Registries. These funds are also shown as a payable in trade and other payables (refer Note 14) and are passed on to the Land Title Registries within three business days of lodgement. The funds are held in separate bank accounts and are not available for use by the Company. The asset and liability are created and carried on the balance sheet at the time of receipt of the funds and recognised on the balance sheet until settlement of the liability occurs three business days later.

Note 10. Non-Current Assets – Property, Plant and Equipment

Reconciliation of carrying amounts at the beginning and end of the year

	Furniture and fittings $'000	Office and computer equipment $'000	Total $'000
Cost			
At 30 June 2023	**1,040**	**3,290**	**4,330**
Additions	64	157	221
Write off	(164)	(1,539)	(1,703)
At 30 June 2024	**940**	**1,908**	**2,848**
Additions	94	353	447
Write off	-	(1,008)	(1,008)
At 30 June 2025	**1,034**	**1,253**	**2,287**
Depreciation and Impairment			
At 30 June 2023	**(206)**	**(2,008)**	**(2,214)**
Depreciation charge for the year	(246)	(747)	(993)
Write off	164	1,539	1,703
At 30 June 2024	**(288)**	**(1,216)**	**(1,504)**
Depreciation charge for the year	(267)	(579)	(846)
Write off	-	1,008	1,008
At 30 June 2025	**(555)**	**(787)**	**(1,342)**
Net book value			
At 30 June 2024	**652**	**692**	**1,344**
At 30 June 2025	**479**	**466**	**945**

Note 11. Non-Current Assets – Intangible Assets

	Trademarks	In-House Software	Total
	$'000	$'000	$'000
Cost			
At 30 June 2023	**55**	**261,664**	**261,719**
Additions	-	39,312	39,312
Impairment / write-off	-	(5,389)	(5,389)
Write down fully amortised assets	-	(6,580)	(6,580)
At 30 June 2024	**55**	**289,007**	**289,062**
Additions	-	31,844	31,844
Impairment / write-off	-	(34,932)	(34,932)
Write down fully amortised assets	(11)	(10,166)	(10,177)
At 30 June 2025	**44**	**275,753**	**275,797**
Amortisation and impairment			
At 30 June 2023	**-**	**(131,521)**	**(131,521)**
Amortisation	(8)	(19,141)	(19,149)
Impairment / write-off	-	1,401	1,401
Write down fully amortised assets	-	6,580	6,580
At 30 June 2024	**(8)**	**(142,681)**	**(142,689)**
Amortisation	(3)	(24,592)	(24,595)
Impairment / write-off	-	9,113	9,113
Write down fully amortised assets	11	10,166	10,177
At 30 June 2025	**-**	**(147,994)**	**(147,994)**
Net book value			
At 30 June 2024	**47**	**146,326**	**146,373**
At 30 June 2025[1]	**44**	**127,759**	**127,803**

1. Includes $6.01 million (June 2024: $20.8 million) of in-house software work in progress not considered ready for use

a. Intangible Assets

The Company's intangible software assets primarily consist of capitalised "in house" software development costs that are associated with the Exchange platform.

Amortisation and useful life of intangible assets

Where applicable, intangible assets are amortised over the period of expected future benefits (useful life) on a straight-line basis. The useful lives of the Company's intangibles assets are set out below:

Intangible Asset	Useful Life
In-house software	3-15 years
Trademarks	Indefinite

As identified in the table above, the PEXA Trademarks have been assessed as having indefinite useful lives and are not amortised as these trademarks are expected to be continually renewed and utilised in the operations of the business. During the year ended 30 June 2025, minor trademarks ($3K) were identified as having expiry dates of 8 December 2024 and 19 February 2025. Both trademarks were amortised accordingly (2024: $8K).

During the year ended 30 June 2025, the Company identified and impaired $15.2 million and wrote-off $10.6 million of In-House software assets (2024: Impaired $1.2 million and wrote-off $2.8 million).

FY25 impairment / write-off $25.8 million ($34.9 million cost and $9.1 million accumulated amortisation) includes:

- $14.1 million write-off of Interoperability WIP In-House Software.
- $10.6 million write-off Exchange adjacency in-house software ($18.0 million cost and $7.4 million accumulated amortisation).
- $1.1 million write-off Other in-house software ($2.8 million cost and $1.7 million accumulated amortisation).

b. Impairment testing

Background

The Company determines whether its intangible assets are carried above recoverable amount on an annual basis at 30 June, unless there are indicators of impairment.

30 June 2025 assessment

For the year ended 30 June 2025, the Company applied a VIU discounted cash flow methodology to assess the recoverable amount of the PEAL intangible assets (2024: VIU). Key inputs and assumptions to the VIU calculation are outlined below.

Key inputs and assumptions

The table below summarises key assumptions used in the VIU model for the year ended 30 June 2025 and year ended 30 June 2024. Further information on how these were determined is contained below.

	Discount Rates		TV Growth rate (%)/EBITDA Multiples ('x')		Forecast Cash Flow Period (Years)	
	2025	2024	2025	2024	2025	2024
PEAL	9.5%	8.4%	3.0%	3.0%	5Y	5Y

Discount rates

The discount rate (post tax) reflects current market assessment of the time value of money, risk-adjusted cash flows and other risks specific to the relevant market in which the Company operates.

Forecast cash flows

Forecast cash flows are derived from Board approved profit and cash flow forecasts and do not include restructuring activities that the Company are not yet committed to, or possible future investments.

In developing forecast cash flows, management has considered and used a range of judgements and assumptions relating to forecast transaction levels, revenue growth including competitor activity, commencement of material operations, overhead costs and discount rates. Five-year forecasts were used in the modelling.

A terminal value within the final year of cash flow was determined with reference to both economic and market conditions. The cash flow used a terminal growth rate methodology.

Growth rate estimates

The growth rates are determined based on the long-term anticipated growth rate of the Company and reviewed using external benchmarks consistent with industry specific forecasts in which the Company operates.

Sensitivity considerations

Sensitivities to the key assumptions within the VIU calculations were also tested. The testing showed that there are no reasonable possible changes in key assumptions that could cause the carrying value of the intangibles to be impaired.

Note 12. Non-Current Assets - Prepayments and Other Assets

Non-Current	2025 $'000	2024 $'000
Other prepayments	474	-
	474	**-**

Note 13. Leases

Company as a lessee

The Company has lease contracts pertaining to two office spaces for which right of use assets have been recognised. The Company's accounting policy for recognition of leases is contained in Note 2s).

These leases have lease terms of 0.9 to 2.0 years.

The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets and some contracts require maintenance of certain financial ratios.

The Company also has certain leases of office spaces with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the current and prior periods:

	Right-of-use assets $'000
At 1 July 2023	**6,042**
Depreciation expense	(1,767)
At 30 June 2024	**4,275**
Additions	192
Depreciation expense	(1,831)
At 30 June 2025	**2,636**

The following is a reconciliation of the lease liabilities:

	Lease liabilities $'000
At 1 July 2023	**7,624**
Accretion of interest	311
Payments made	(2,314)
At 30 June 2024	**5,621**
Additions	192
Accretion of interest	220
Payments made	(2,456)
At 30 June 2025	**3,577**

Below is the allocation of lease liabilities between current and non-current liabilities:

	2025 $'000	2024 $'000
Lease liabilities		
Current lease liabilities	2,404	2,178
Non-current lease liabilities	1,173	3,443
	3,577	**5,621**

The following are the amounts recognised in profit or loss:

	2025 $'000	2024 $'000
Depreciation expense of right-of-use assets	1,831	1,767
Interest expense on lease liabilities	220	311
Expense relating to short-term leases (temporary office space)	12	203
Total amount recognised in profit or loss	**2,063**	**2,281**

The Company has total cash outflows for non short-term leases of $2.5 million for the year ended 30 June 2025 (2024: $2.3 million).

One of the Company's office lease contracts includes an extension option which allows the Company to extend the arrangement at future market rates upon expiry. This provides the Company flexibility in managing its office space requirements. The extension option has not been included in the measurement of the lease liabilities and right of use assets recognised as it is not considered reasonably certain it will be exercised. The potential future cash-flows if this option was exercised in 2026 are approximately $12.4 million (30 June 2024: $12.4 million).

Note 14. Current Liabilities – Trade and Other Payables

	2025 $'000	2024 $'000
Financial liabilities (a)	40,151	31,784
Trade payables (b)	6,518	10,787
Other accruals	22,862	20,380
Other payables	1,061	2,789
Total	**70,592**	**65,740**

Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

(a) The Company holds funds as a collection agent of lodgement fees for Land Title Registries. These funds are held in other financial assets (refer Note 9) and passed on to the Land Title Registries within 3 business days of lodgement.

(b) Trade payables are non-interest bearing and are normally settled on 45-day terms from month end.

Note 15. Current Liabilities – Provisions

	2025 $'000	2024 $'000
Annual leave	4,095	4,399
Long service leave	2,430	1,968
Total	**6,525**	**6,367**

Note 16. Non-Current Liabilities – Provisions

	2025 $'000	2024 $'000
Long service leave	1,016	751

Note 17. Capital and Financial Risk Management

Approach to risk management

The Company treats risk management as a fundamental responsibility of all employees. To enable them to discharge this responsibility, the Company's risk management framework (RMF) is embedded into all business functions, processes, programs and projects. The RMF:

- Establishes a Board approved risk appetite for the PEXA Group.
- Provides a-fit-for-purpose process to identify, assess, manage, analyse, monitor and report on risk.
- Promotes a culture of risk awareness where everyone demonstrates positive risk behaviours and ethical considerations in the management of risks.
- Establishes a clear and transparent approach to identifying and managing risks that drives positive outcomes and informs decision making.

The PEXA Group's General Manager for Risk oversees the operational management of risk in line with the RMF and related policies/guidelines and reports regularly to the PEXA Group's Audit and Risk Committee. Further information on the RMF and the PEXA Group's material risks can be found under the "Risk at PEXA" section within the PEXA Group Limited Annual Report 2025.

a. Financial Risk Management

In the course of its operations the Company is exposed to certain financial risks that could affect the Company's financial position and performance. This note explains the sources of these risks, how they are managed by the Company and the Company's exposure at reporting date. The table below outlines the financial instruments held by the Company:

	2025 $'000	2024 $'000
Financial assets/(liabilities) measured at amortised cost		
Cash and cash equivalents	40,552	74,586
Trade and other receivables	2,788	3,168
Other financial assets	40,151	31,784
Related party receivables	379,657	340,142
Trade and other payables	(70,592)	(65,740)
Total net financial assets/(liabilities)	**392,556**	**383,940**

The fair values of these financial instruments are considered to approximate their carrying amounts due to the short term-maturities of these instruments.

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company holds cash and cash equivalents which earn interest at floating rate (cash at bank), fixed rates (short-term deposits) and earns interest on the PEXA Exchange Source Account. A +/- 100 basis point movement in interest rates would impact interest earned on cash held at the end of the period by +/- $2.8 million (30 June 2024: 100 basis points +/- $3.8 million).

ii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below presents the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Maturing In:				
	1 Year or less $'000	1 to 5 Years $'000	>5 Years $'000	Contractual Total $'000	Carrying Amount $'000
2025					
Financial liabilities	40,151	-	-	40,151	40,151
Trade payables, accruals and other payables	30,441	-	-	30,441	30,441
Lease liabilities	2,513	1,186	-	3,699	3,577
Total	**73,105**	**1,186**	**-**	**74,291**	**74,169**
2024					
Financial liabilities	31,784	-	-	31,784	31,784
Trade payables, accruals and other payables	33,956	-	-	33,956	33,956
Lease liabilities	2,389	3,557	-	5,946	5,621
Total	**68,129**	**3,557**	**-**	**71,686**	**71,361**

iii. Credit risk

Credit risk is the risk that a counter-party to a financial asset held by the Company fails to meet their financial obligations. The Company does not consider itself to be subject to significant credit risk as trade receivables due from subscribers are predominantly collected automatically as a disbursement from settlement funds through transactions completed on the Exchange. Receivables from transactions that do not include financial settlement are collected via direct debit on the day the transaction is completed on the Exchange. Additionally, for non-exchange related revenues, the Company has not experienced any credit losses as the counter-parties are largely financial institutions, significant corporations or government entities.

Related party loans receivable from the Company's ultimate parent entity and from other entities within the PEXA Group have been reviewed for expected credit losses (ECL). Given the strong financial position of the PEXA Group, including PEXA Holdings Limited's ability to raise additional funding for the PEXA Group and the existence of a deed of cross guarantee, the ECL for related party loan receivables has been assessed as Nil by the Company. The Company also considers the parents shareholders have the capacity to provide further funding if required. However, a $3.4 million related party loan receivable was written off during the year due to the PEXA Group impairment of Land Insight and Resources Pty Ltd.

Investments of surplus funds as cash and cash equivalents and other financial assets are made only with approved counterparties and within investment limits assigned to each counter-party. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counter-party's potential failure to make payments. The approved counterparties consist of the four major Australian banks which maintain investment grade external credit ratings.

b. Capital management

The Company's objective when managing capital is to ensure the allocation of financial and other resources creates sustainable value for shareholders in line with the Company's purpose of 'connecting people to place'. To ensure it achieves this the Company ensures:

- It has an appropriate level of capital resources available to support its business activities and to absorb the impact of any downside risks arising from the pursuit of those activities;
- That capital is allocated effectively across the Company to deliver on its purpose and to generate long-term sustainable returns for shareholders; and
- That material organic and inorganic opportunities are evaluated using a consistent approach and cost of capital.

The Company currently monitors its capital management in line with its objectives outlined in the PEXA Group's Capital Management Framework (disclosed in the PEXA Half Year FY25 investor presentation).

To fulfil capital management objectives, the Company may seek capital injections from its parent or seek other new sources of capital such as loans and borrowings through the PEXA Group structure.

The Company believes that it has sufficient cash to fund its operational and working capital requirements to meet its business objectives. The Directors note that in the future it may need to raise additional funds in order to support more rapid expansion, respond to competitive pressures, acquire complementary businesses or technologies or take advantage of unanticipated opportunities.

Note 18. Fair Value Measurement

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Note 19. Contributed Equity

a. Ordinary shares

	2025 $'000	2024 $'000
Issued and fully paid	437,257	433,442
	437,257	**433,442**

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Movement in ordinary shares on issue	No. of shares	$'000
At 1 July 2023	137,702	430,240
Share based payment expense	-	3,202
At 30 June 2024	**137,702**	**433,442**
Share based payment expense	-	3,815
At 30 June 2025	**137,702**	**437,257**

Benefits are provided to employees (including the Chief Executive Officer (CEO), executives, other senior leaders and higher performing employees) of the Company in the form of share-based payments, whereby employees render services in exchange for equity or rights over shares in the Parent (PGL), which in FY25 has given rise to the expense of $3.8 million (FY24 $3.2million). Details of which and the impact on the parent shares are provided below.

The Long-Term Incentive Plans (LTI Plans) aim to set and reward a high standard of performance over a three year vesting period, tied to the appropriate company performance measures. The Sign-On and Retention Plans and Transformer Plan are tied to a service condition only. For all LTI Plans the participants are not entitled to any dividends until vested.

b. FY25 Share-Based Payment Plans

During the twelve-month period ended 30 June 2025 the PEXA Group's Board approved the following share-based payment plan for executive and employees, including those employed by PEAL. These plans have therefore given rise to the share based payment expense amounts that have been recognised in PEAL as contributed equity from PGL, where the shares are issued.

i. FY25 LTI Plan

Granted on 2 December 2024 (CEO – 15 November 2024) the FY25 LTI Plan contains a service condition (of three years from 1 July 2024 to 30 June 2027) and two performance conditions (one subject to a relative Total Shareholder Return ('TSR') performance condition and one subject to a non-market performance condition – an EPS target). A valuation of the performance rights was completed on this plan. The total fair value of the FY25 LTI Plan grant was $3,231,135.

Key features of the FY25 LTI Plan:

Required period of employment: three years from 1 July 2024 to 30 June 2027.

Performance hurdles:

Relative Total Shareholder Return (TSR): 50% of the FY25 LTI Plan is subject to performance against a relative TSR metric over three years. Relative TSR combines the security price movement and distributions (which are assumed to be reinvested), to show the total return to security holders, relative to that of other companies in the TSR comparator group, which is the S&P/ASX 200 Index, tested at the end of FY27. The vesting scale is as follows:

Relative TSR	Vesting % of maximum
Below 50th percentile	Nil
At 50th percentile	50%
50-75th percentile	Pro rata
At 75th percentile or above	100%

Earnings per share (EPS): 50% of the FY25 LTI Plan is subject to performance against an EPS metric. EPS is calculated based on NPATA, which is calculated as statutory net profit after tax and after adding back tax-effected amortisation of acquired intangible assets EPS CAGR will be measured based on FY27 audited results compared to FY24 audited results EPS CAGR:

EPS CAGR	Vesting % of maximum
Below Target	Nil
At Target	50%
Between Target and Maximum	Pro rata
Maximum	100%

Across all aspects of the FY25 LTI Plan the Board has full discretion to make adjustments where there would be a material and/or perverse outcome not to do so. These adjustments may have a positive or negative impact on outcomes. The expense relating to both the relative TSR and EPS portion of the LTI Plan is accrued over the performance period of three years.

Valuation

The fair value of performance rights granted under the FY25 LTI Plan is estimated at the date of grant using a combined Black Scholes pricing model (EPS rights) and Monte Carlo simulation pricing model (TSR rights) taking into account the terms and conditions upon which the performance rights were granted. For grants with non-market vesting conditions (EPS), the grant date fair value is expensed over the vesting period and adjusted to reflect the actual number of rights for which the related service and non-market vesting conditions are expected to be met. The grant date fair value of awards with market performance conditions (TSR) reflects the probability of these conditions being met and hence the expense recognised over the vesting period is only adjusted for changes in expectations as to whether service criteria will be met.

The fair value of TSR rights has been calculated at $7.51 per share (CEO) and $6.48 per share (all other participants) and EPS rights at $13.54 per share (CEO) and $12.99 per share (all other participants).

	Other participants	CEO
Weighted average fair values at the measurement date ($)	$9.74	$10.53
Dividend yield (%)	0%	0%
Expected volatility (%)	32.50%	32.50%
Risk-free interest rate (%)	3.86%	4.09%
Closing share price as at the grant date ($)	$12.99	$13.54
Model used	Combined - Black Scholes pricing model and Monte Carlo simulation pricing model	

The expected life of the performance rights is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the performance rights is indicative of future trends, which may not necessarily be the actual outcome.

The weighted average fair value per performance rights granted under the FY25 LTI Plan during the period ended 30 June 2025 was $10.53 (CEO) and $9.74 (all other participants).

ii. FY25 Retention Plan (RP)

Granted on 1 July 2024 , this RP is for four employees and contains a service condition only, requiring continued employment until 31 December 2025. The total fair value of the FY25 RP grant was $625,000.

iii. FY25 Employee Share Plan (ESP)

On 4 November 2024, the PEXA Group issued, granted and allocated 27,454 PEXA ordinary shares for 371 employees. The shares have no performance measures. The fair value of the purchased shares of $0.37 million will be fully expensed in the full year results as there are no hurdles to their vesting. Fair value has been measured based on the listed value of the purchased shares as at the grant date.

iv. FY25 Transformers Plan (TP)

Granted on 4 November 2024, the PEXA Group issued 63,307 performance rights over PEXA ordinary shares for 34 participants. The performance rights have no performance measures but have a service condition of one year before they vest. If an employee leaves the business during that period, the shares are forfeited. The fair value of the performance rights of $0.85 million is expensed over the vesting period . Fair value has been measured based on the value weighted average price between 23 August 2024 and 5 September 2024.

v. FY25 Sign-on arrangements (SOP)

120,008 shares were acquired during the period (including 110,687 for the Group Managing Director and Chief Executive Officer) in relation to sign-on arrangements. Participants are restricted from dealing in these shares until specified vest dates. At 30 June 2025, 83,113 were still outstanding and will vest predominantly in March 2026 and March 2027.

c. FY24 Share-Based Payment Plans

During the twelve-month period ended 30 June 2024 the PEXA Group's Board approved the following share-based payment plan for executive and employees, including those employed by PEAL. These plans have therefore given rise to the share based payment expense amounts that have been recognised in PEAL as contributed equity from PGL, where the shares are issued.

i. FY24 LTI Plan

Granted on 1 December 2023 (CEO – 24 November 2023) the FY24 LTI Plan contains a service condition (of three years from 1 July 2023 to 30 June 2026) and two performance conditions (one subject to a relative Total Shareholder Return ('TSR') performance condition and one subject to a non-market performance condition - an EPS target). A valuation of the performance rights was completed on this plan. The total fair value of the FY24 LTI Plan grant was $4,122,854.

Key features of the FY24 LTI Plan:

Required period of employment: three years from 1 July 2023 to 30 June 2026.

Performance hurdles:

Relative Total Shareholder Return (TSR): 50% of the FY24 LTI Plan is subject to performance against a relative TSR metric over three years. Relative TSR combines the security price movement and distributions (which are assumed to be reinvested), to show the total return to security holders, relative to that of other companies in the TSR comparator group, which is the S&P/ASX 200 Index, tested at the end of FY26. The vesting scale is as follows:

Relative TSR	Vesting % of maximum
Below 50th percentile	Nil
At 50th percentile	50%
50-75th percentile	Pro rata
At 75th percentile or above	100%

Earnings per share (EPS): 50% of the FY24 LTI Plan is subject to performance against an EPS metric. EPS is calculated based on NPATA, which is calculated as statutory net profit after tax and after adding back tax-effected amortisation of acquired intangible assets EPS CAGR will be measured based on FY26 audited results compared to FY23 audited results EPS CAGR:

EPS CAGR	Vesting % of maximum
Below Target	Nil
At Target	50%
50-75th percentile	Pro rata
Maximum	100%

Across all aspects of the FY24 LTI Plan the Board has full discretion to make adjustments where there would be a material and/or perverse outcome not to do so. These adjustments may have a positive or negative impact on outcomes. The expense relating to both the relative TSR and EPS portion of the LTI Plan is accrued over the performance period of three years.

Valuation

The fair value of performance rights granted under the FY24 LTI Plan is estimated at the date of grant using a combined Black Scholes pricing model (EPS rights) and Monte Carlo simulation pricing model (TSR rights) taking into account the terms and conditions upon which the performance rights were granted. For grants with non-market vesting conditions (EPS), the grant date fair value is expensed over the vesting period and adjusted to reflect the actual number of rights for which the related service and non-market vesting conditions are expected to be met. The grant date fair value of awards with market performance conditions (TSR) reflects the probability of these conditions being met and hence the expense recognised over the vesting period is only adjusted for changes in expectations as to whether service criteria will be met. The fair value of TSR rights has been calculated at $7.21 per share (CEO) and $6.96 per share (all other participants) and EPS rights at $11.86 per share (CEO) and $11.78 per share (all other participants).

Key inputs and assumptions

	Other participants	CEO
Weighted average fair values at the measurement date ($)	$9.37	$9.54
Dividend yield (%)	0%	0%
Expected volatility (%)	32.50%	32.50%
Risk-free interest rate (%)	3.99%	4.11%
Closing share price as at the grant date ($)	$11.78	$11.86
Model used	Combined - Black Scholes pricing model and Monte Carlo simulation pricing model	

The expected life of the performance rights is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the performance rights is indicative of future trends, which may not necessarily be the actual outcome.

The weighted average fair value per performance rights granted under the FY24 LTI Plan during the twelve months ended 30 June 2024 was $9.54 (CEO) and $9.37 (all other participants).

ii. FY24 Retention Plan (RP)

Granted on 1 December 2023 and 1 April 2024, this RP is for five employees and contains a service condition only, requiring continued employment ranging from March 2025 to December 2025. The total fair value of the FY24 RP grant was $274,994.

iii. FY24 Employee Share plan (ESP)

On 30 September 2023, the PEXA Group issued, granted and allocated 29,754 PEXA ordinary shares for 342 employees. The shares have no performance measures. The fair value of the purchased shares of $0.34 million will be fully expensed in the full year results as there are no hurdles to their vesting. Fair value has been measured based on the listed value of the purchased shares as at the grant date.

iv. FY24 Transformers plan (TP)

Granted on 30 October 2023, the PEXA Group issued 78,353 performance rights over PEXA ordinary shares for 32 participants. The performance rights have no performance measures but have a service condition of one year before they vest. If an employee leaves the business during that period, the shares are forfeited. The fair value of the performance rights of $0.86 million is expensed over the vesting period. Fair value has been measured based on the value weighted average price between 29 August and 11 September 2023.

d. Performance Rights and Shares on Issue

The movements in the number of performance rights and shares on issue in PGL during the year are as follows, noting that this table includes the impact of both executive and employees of PEAL and executive and employees of other PEXA entities for example those in the UK.

Performance Rights	FY22 LTI Plan	FY23 LTI Plan	FY23 SORP	FY24 LTI Plan	FY24 RP	FY24 UK ESS	FY24 TP	FY25 LTIP	FY25 RP	FY25 TP	Total
At 1 July 2023	**129,456**	**281,366**	**100,063**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**510,885**
Granted during the year	-	-	-	458,620	21,918	1,653	78,353	-	-	-	**560,544**
Forfeited during the year	(1,267)	(23,448)	(4,916)	(36,128)	-	-	(4,598)	-	-	-	**(70,357)**
Vested and exercised during the year	-	-	(59,674)	-	-	-	(1,250)	-	-	-	**(60,924)**
At 30 June 2024	**128,189**	**257,918**	**35,473**	**422,492**	**21,918**	**1,653**	**72,505**	**-**	**-**	**-**	**940,148**
Granted during the year	-	-	-	-	-	-	-	325,919	45,021	63,307	**434,247**
Forfeited during the year	-	(15,452)	-	(72,139)	-	-	-	(74,242)	(7,203)	-	**(169,036)**
Expired during the year	(128,189)	-	-	-	-	-	-	-	-	-	**(128,189)**
Vested and exercised during the year	-	-	(35,473)	-	(4,796)	-	(72,505)	-	-	-	**(112,774)**
At 30 June 2025	**-**	**242,466**	**-**	**350,353**	**17,122**	**1,653**	**-**	**251,677**	**37,818**	**63,307**	**964,396**

- All performance rights and employee shares have a $nil exercise value.
- The weighted average remaining contractual life for the performance rights outstanding as at 30 June 2025 was 1.0 years (2024: 1.5 years).
- The weighted average fair value of performance rights granted during the year was $11.01 (2024: $9.80).

Employee Shares	FY23 TP	FY24 ESP	FY25 ESP	Total
At 30 June 2023	**46,809**	**-**	**-**	**46,809**
Granted during the year	-	29,754	-	**29,754**
Forfeited during the year	-	(261)	-	**(261)**
Vested and exercised during the year	(46,809)	(29,493)	-	**(76,302)**
At 30 June 2024	-	-	-	-
Granted during the year	-	-	27,454	**27,454**
Vested and exercised during the year	-	-	(27,454)	**(27,454)**
At 30 June 2025	-	-	-	-

Note 20. Earnings per share

Basic earnings per share is calculated as profit after income tax attributable to owners of the Company, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares. Diluted earnings per share adjusts the weighted average number of shares for potentially dilutive ordinary shares.

	2025 $'000	2024 $'000
Profit after income tax attributable to owners of PGL	79,133	90,729
WANOS used in calculation of basic EPS[1]	137,702	137,702
WANOS used in calculation of diluted EPS[2]	137,702	137,702
Basic EPS (cents per share)	57.47	65.89
Diluted EPS (cents per share)	57.47	65.89

1. Weighted average number of ordinary shares.
2. There were no potentially diluted ordinary shares during the year ended 30 June 2025 or 30 June 2024.

Note 21. Related Party Disclosures

a. Key Management Personnel

Compensation for key management personnel (KMP), includes Directors and Executive Committee members remuneration, superannuation and bonuses recognised as an expense during the reporting period and is disclosed in the table below.

KMP are those persons who, directly or indirectly, have authority and responsibility for planning, directing, and controlling the major activities of the Company. For the year ended 30 June 2025, Executive KMP are deemed to be the Group Managing Director and Chief Executive Officer (CEO), Group Chief Financial Officer (CFO) and Chief Executive Officer - Australia*.

Executive KMP	2025 $'000	2024 $'000
Short-term employee benefits	3,230	3,318
Share based payments	637	723
Shares	486	-
Termination payments	681	-
Other long-term benefits	41	41
Post-employment benefits – superannuation	90	82
Total	**5,165**	**4,164**

There are no non-executive KMP as all directors are Executives of the Company.

* This position was vacated 21 February 2025 and not replaced.

b. Transactions with related parties

i. Key Management Personnel

There were no transactions with Key Management Personnel and their related parties during the year ended 30 June 2025 (2024: nil).

ii. PEAL related parties

Related party receivable balances – entities within the PEXA Group

Name	2025 $'000	2024 $'000
PEXA Group Limited (the ultimate parent)	223,408	236,987
PEXA Holdings Pty Ltd	34,781	15,696
PEXA Technology Pty Ltd	95,835	74,936
Digital Completion UK Ltd	919	3,435
Optima Legal Services Ltd	243	578
I.D. Consulting Pty Ltd	1,975	177
PEXA Insights Pty Ltd	21,445	6,215
Land Insight and Resources Pty Ltd	-	1,367
PX Ventures Pty Ltd	1,051	750
	379,657	**340,142**

Related party receivables with other entities of the PEXA Group are at call and are non-interest bearing.

An ASIC approved Deed of Cross Guarantee has been entered into by PEXA Group Limited (the Parent entity), of which PEAL is a member.

Related party transactions – entities within the PEXA Group

Name	2025 $'000	2024 $'000
PEXA Technology Pty Ltd - R&D UK International Platform build expense	672	1,499
Digital Completion UK Ltd - cost recharge	1,400	1,222
	2,072	**2,721**

iii. Other related parties

The total amount of transactions that have been entered into with other related parties for the relevant financial year are:

Related parties – entities with significant influence over the PEXA Group

Name	2025 $'000	2024 $'000
Commonwealth Bank of Australia (revenue)[1]	23,564	19,494
Landchecker	-	156
	23,564	**19,650**

1. Commonwealth Bank of Australia (like the three other major Australian financial institutions) is a customer of the company that utilises the PEXA Exchange for registering and discharging mortgages over properties on behalf of their customers.

The above transactions were completed on an arm's length basis and on the same terms as all other financial institutions.

Note 22. Events after Balance Sheet date

At the date of signing this report the Company has not seen material impacts on its revenues or business. Any future restrictions may unfavourably impact the number of property transactions and correspondingly the Company's financial performance in future financial years. No other event or circumstance has arisen since 30 June 2025 that has significantly affected, or may significantly affect:

- The Company's operations in future financial years;
- The results of those operations in future financial years; or
- The Company's state of affairs in future financial years.

Note 23. Commitments & Contingencies

a. Capital commitments

The Company had no quantifiable capital commitments at 30 June 2025 (30 June 2024: nil).

b. Residential guarantee

PEAL offers the PEXA Residential Seller Guarantee (PRSG) to provide protection to residential sellers in the event of certain kinds of fraud. Where the PRSG applies, the vendor (seller) has the option to make a claim against the Company, rather than seeking to recover the loss by an alternative means.

The Company's obligations are capped at $2 million per claim. No amounts relating to the PRSG have been provided for in the 30 June 2025 financial report.

c. Contingent liabilities

The Company is subject to a number of contractual obligations in agreements which, if not discharged or considered not to be discharged, may give rise to potential claims or other costs. These agreements exist to allow the Company to perform its day to day operations and monitor its various regulatory obligations appropriately.

Those obligations are included in a number of operating, participation, performance, trading and settlement agreements with various government bodies, financial institutions, state registrars, practitioners and regulators (such as ARNECC), with varying levels of potential liability. The Company is not aware of any actual or alleged non-performance of any obligations as at 30 June 2025.

As at 30 June 2025, there are no contingent liabilities (2024: nil).

Note 24. Auditor's remuneration

During the year payments were made to Ernst & Young, the auditors of the PEXA Group (of which PEAL is a 100% owned subsidiary) for services in addition to the annual audit of the financial accounts of the PEXA Group. The following is detail of audit and other services in Australia:

Ernst & Young	2025 $	2024 $
Audit and assurance services		
Category 1 Ernst & Young Australia - Group and statutory audit fees[1]	732,500	593,000
Category 2 Other assurance services	130,000	52,500
Category 3 Other services	-	158,000
Total auditor remuneration	**862,500**	**803,500**

1. Total Category 1 audit fees for the PEXA Group including audit fees for overseas based subsidiaries in the United Kingdom were $1,301,500 (2024: $1,139,000).

Category 1 – Fees to the Group auditor for: (i) auditing the statutory financial report of the Australian Group; (ii) review of the year end financial report of the Australian Group; and (iii) auditing the statutory financial reports of any controlled entities.

Category 2 – Other assurance services - limited assurance services to the Group in relation to its Scope 1 and 2 greenhouse gas (GHG) emissions, as well as a pre-assessment of Scope 3 GHG emissions (the "Services").

Category 3 – Other services – Services primarily related to Ernst & Young Port Jackson Partners being engaged to assist the Australian group in work related to the e-conveyancing interoperability framework.

The Group has processes in place to maintain the independence of our external auditor, including the nature of the expenditure on non-audit services. Ernst & Young also have specific processes and policies in place to ensure auditor independence. Ernst & Young has provided an auditor's independence declaration to the Directors of the Group confirming that the provision of the other services has not impaired their independence as auditors.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Disclosure of subsidiaries and their country of tax residency, as required by the Corporations Act 2001, does not apply to the company as the company is not required by accounting standards to prepare consolidated financial statements as the company does not have any subsidiaries.

Directors' declaration

In accordance with a resolution of the directors of Property Exchange Australia Limited, I state that:

In the opinion of the directors:

1. the financial statements and associated notes set out on page 8 to 46 are in accordance with the *Corporations Act 2001* including:
   a. giving a true and fair view of the financial position as at 30 June 2025 and performance for the year then ended; and
   b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*;
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. this declaration has been made after receiving the declarations required to be made to the Directors by the Group Managing Director and Chief Executive Officer and Acting Group Chief Financial Officer in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2025.
4. the consolidated entity disclosure statement required by section 295(3A) of the Corporations Act 2001 is true and correct.

On behalf of the board.

Elizabeth Warrell
Director

29 September 2025

PEXA